

---

2006-2007 Desk Reference for

# EDExpress for Windows Release 2.0

*Addendum*

Higher Education Reconciliation Act of 2005



---

F E D E R A L  
STUDENT AID

---

---

## Overview

The Higher Education Reconciliation Act of 2005 (the HERA), Pub. L. 109-171, created two new Title IV grant programs—the Academic Competitiveness Grant (ACG) and the National Science and Mathematics Access to Retain Talent (National SMART) Grant. The HERA also extends Federal Direct PLUS Loan (Direct PLUS) eligibility to graduate or professional students.

In addition, the HERA changed the definition of an academic year for certain Pell award calculations, increased certain Direct Stafford Loan limits, decreased the loan fee charged to Stafford borrowers, and reinstated single disbursement loan processing for institutions with low cohort default rates.

This addendum to the *2006-2007 EDEExpress for Windows Release 2.0 Desk Reference* provides guidance on using existing and new Pell, Direct Loan, and Common Origination and Disbursement (COD) features in EDEExpress for Windows 2006-2007 to comply with the changes established in the HERA.

The following areas are covered in this addendum:

- Academic Competitiveness Grant (ACG)
- National Science and Mathematics Access to Retain Talent (National SMART) Grant
- Direct PLUS Loan for Graduate and Professional Students (Grad PLUS)
- Other HERA Changes

EDEExpress 2006-2007 will be modified in three separate releases to add ACG, National SMART Grant, and Grad PLUS functionality, most of which will be incorporated into the existing Pell and Direct Loan modules:

- Release 3.0, available September 2006, enables you to create ACG and National SMART Grant origination and disbursement records and updates Direct Loan functionality to uniquely identify Grad PLUS loan records on entry tabs, reports, and in other software features. It also enables you to import ACG and National SMART Grant versions of the Electronic Statement of Account (ESOA) and adds separate print options for the Grad PLUS MPN, List-Grad PLUS MPN, MPN Manifest, and Disclosure Statement.

**Note:** You will not be able to export ACG or National SMART Grant records from EDEExpress 2006-2007 for transmission to the Common Origination and Disbursement (COD) System or import responses for ACG and National SMART Grant data sent by the COD System until you install Release 4.0.

- Release 4.0, available December 2006, enables you to export ACG and National SMART Grant origination and disbursement records for transmission to the COD System and to import responses from the COD System.

**Note:** The COD System will not accept ACG or National SMART Grant origination or disbursement data until December 16, 2006.

- Release 5.0, available April 2007, enables you to export ACG and National SMART Grant Data Requests to the COD System and import ACG and National SMART Grant-specific reports. It will also update Direct Loan functionality, including the origination process, to follow increased annual loan limits established for Direct Subsidized and Direct Unsubsidized loan awards by the HERA.

For information and guidance regarding changes to EDEExpress Global, Application Processing, and Packaging functionality resulting from the HERA, see the HERA addendum to the *2006-2007 EDEExpress for Windows Release 1.0 Desk Reference*, available on the U.S. Department of Education's (ED's) FSAdownload Web site, located at [fsadownload.ed.gov](http://fsadownload.ed.gov).

Direct Loan PLUS and Grad PLUS borrowers can also contact the COD School Relations Center at [CODsupport@acs-inc.com](mailto:CODsupport@acs-inc.com) or at the numbers listed below for assistance:

- Pell Grant, ACG, and National SMART Grant: 800/474-7268 (800/4PGRANT)
- Direct Loan School Services: 800/848-0978
- Direct Loan Applicant Services: 800/557-7394 (for student and parent borrowers)

---

## Academic Competitiveness Grant (ACG)

EDEExpress 2006-2007 provides new functionality in three staggered releases, described in the Overview, for processing Academic Competitiveness Grant (ACG) data for your students.

### Software Setup

ACG functionality is installed with the Pell module of EDEExpress 2006-2007. ACG origination and disbursement records use the same school codes and Reporting and Attended Entity IDs as Pell. If you have already established your Pell School setup in EDEExpress, no additional setup is required to begin processing ACG data. If you have not previously set up EDEExpress for Pell, you must establish Pell School and COD System setup options (**Tools, Setup, COD**).

### Origination and Disbursement Records

You can create ACG origination records in three ways:

- On the **Origination (Pell)** tab, select **Record, Add** (or click the + sign) on the menu bar and choose **ACG** as the grant type. Complete the required fields and select **File, Save** from the menu bar.
- Select **File, Import** from the menu bar. Then select **Pell, Origination Data–ISIRs** to import Pell-eligible Institutional Student Information Record (ISIR) transactions from the Application Processing module. Specify **ACG** as the type of grant to create.
- Import ACG origination data from an external system (**File, Import, Pell, Origination Data–External [PGEO]**). The external file (PGEO07OP) must have the required data as defined in the latest *2006-2007 Common Origination and Disbursement (COD) Technical Reference, Volume III*.

In addition to **CPS Transaction #**, **Enrollment Date**, and **Award Amount for Entire School Year**, three new elements are required on ACG origination records: **College Year** (0-2), **Eligibility/Payment Reason** (1-3), and **High School Program** (if the Eligibility/Payment Reason is **1**). See ED's Information for Financial Aid Professionals (IFAP) Web site, located at [ifap.ed.gov](http://ifap.ed.gov), for valid high school programs and their values.

You can create an ACG disbursement using the same process as Pell. A new display-only field shows the grant type (ACG, National SMART, or Pell). The valid 2006-2007 date range for ACG disbursement records is 07/01/2006 to 09/30/2011.

Select **Process, Multiple Entry** from the menu bar. Then select **ACG** to update multiple origination and disbursement records. You can also view your ACG data by selecting **Tools, Browse** from the menu bar, selecting **Pell**, and clicking the **Origination** or **Disburse** tab. ACG records can be distinguished from Pell records on Pell Browse tabs by the award ID. Award IDs for ACG records are 2 bytes shorter than Pell Award IDs and contain an award type of **A** in the tenth position.

## Export

Release 4.0, available December 2006, enables you to export ACG origination and disbursement records in the COD Common Record format (CRAA07IN) using the Pell Export function. Select **File, Export** from the menu bar, then select the **Pell** tab. You can combine Direct Loan, Pell, ACG, and National SMART Grant exports by selecting the **Combine DL and Pell?** checkbox.

Release 5.0, available April 2007, adds the ability to export ACG Data Requests.

## Import

Release 3.0, available September 2006, includes the import-only ACG Electronic Statement of Account (ESOA), message class AGAS07OP.

Release 4.0, available December 2006, enables you to import ACG records in the COD Common Record (CRAA07OP) and COD Web-Generated Response (CRWB07OP) formats using the Pell import function. Select **File, Import** from the menu bar, click the **Pell** tab, and select **COD Common Record Receipt/Response** as the import type.

Release 5.0, available April 2007, adds the ability to import ACG-specific reports and files sent by the COD System, including the Year-to-Date (YTD), Multiple Reporting Record (MRR), Reconciliation File, and Pending Disbursement Report.

## Reports

Release 3.0 adds ACG versions of the Origination Record, Origination List, and Disbursement List currently available for Pell. To print the ACG versions of these reports, go to **File, Print, Pell**, select the report you want to print, and select **ACG** as the Grant Type. Other existing EDEExpress Pell reports do not display ACG data, but the Pell record counts on the List–Student Records in Document and List–Document Activity reports (**File, Print, COD**) include ACG records beginning with Release 4.0, available December 2006.

---

## National Science and Mathematics Access to Retain Talent (National SMART) Grant

EDEExpress 2006-2007 provides new functionality in three staggered releases, described in the overview, for processing National Science and Mathematics Access to Retain Talent (National SMART) Grant data for your students.

### Software Setup

National SMART Grant functionality is installed with the Pell module of EDEExpress 2006-2007. National SMART Grant origination and disbursement records use the same school codes and Reporting and Attended Entity IDs as Pell. If you have already established your Pell School setup in EDEExpress, no additional setup is required to begin processing National SMART Grant data. If you have not previously set up EDEExpress for Pell, you must establish Pell School and COD System setup options (**Tools, Setup, COD**).

### Origination and Disbursement Records

You can create National SMART Grant origination records in three ways:

- On the **Origination (Pell)** tab, select **Record, Add** (or click the + sign) from the menu bar and choose **National SMART** as the grant type. Complete the required fields and select **File, Save** from the menu bar.
- Select **File, Import** from the menu bar. Then select **Pell, Origination Data–ISIRs** to import Pell-eligible ISIR transactions from the Application Processing module. Specify **National SMART** as the type of grant to create.
- Import National SMART origination data from an external system (**File, Import, Pell, Origination Data–External [PGEO]**). The external file (PGEO07OP) must have the required data as defined in the latest *2006-2007 Common Origination and Disbursement (COD) Technical Reference, Volume III*.

In addition to **CPS Transaction #**, **Enrollment Date**, and **Award Amount for Entire School Year**, two new elements are required on National SMART origination records: **College Year** (3-4) and **CIP Code** (a list of eligible majors and their CIP codes is available on ED's Information for Financial Aid Professionals (IFAP) Web site, located at [ifap.ed.gov](http://ifap.ed.gov)).

You can create a National SMART Grant disbursement using the same process as Pell. A new display-only field shows the grant type (ACG, National SMART, or Pell). The valid 2006-2007 date range for National SMART Grant disbursement records is 07/01/2006 to 09/30/2011.

Select **Process, Multiple Entry, National SMART** to update multiple origination and disbursement records with the same information. You can also view your National SMART Grant data by selecting **Tools, Browse** from the menu bar, selecting **Pell**, and clicking the **Origination** or **Disburse** tab. National SMART Grant records can be distinguished from Pell records on Pell Browse tabs by award ID. Award IDs for National SMART Grant records are 2 bytes shorter than Pell Award IDs and contain an award type of **T** in the tenth position.

## Export

Release 4.0, available December 2006, enables you to export National SMART Grant origination and disbursement records in the COD Common Record format (CRAA07IN) using the Pell Export function. Select **File, Export** from the menu bar, then select the **Pell** tab. You can combine Direct Loan, Pell, ACG, and National SMART Grant exports by selecting the **Combine DL and Pell?** checkbox.

Release 5.0, available April 2007, adds the ability to export National SMART Grant Data Requests.

## Import

Release 3.0, available September 2006, includes the import-only National SMART Grant Electronic Statement of Account (ESOA), message class SGAS07OP.

Release 4.0, available December 2006, enables you to import National SMART Grant origination and disbursement records in the COD Common Record (CRAA07OP) and COD Web-Generated Response (CRWB07OP) formats using the Pell Import function. Select **File, Import** from the menu bar, click the **Pell** tab, and select **COD Common Record Receipt/Response** as the import type.

Release 5.0, available April 2007, adds the ability to import National SMART Grant-specific reports and files sent by the COD System, including the Year-to-Date (YTD), Multiple Reporting Record (MRR), Reconciliation File, and Pending Disbursement Report.

## Reports

Release 3.0 adds National SMART Grant versions of the Origination Record, Origination List, and Disbursement List currently available for Pell. To print the National SMART Grant versions of these reports, go to **File, Print, Pell**, select the report you want to print, and select **National SMART** as the Grant Type. Other existing EDEExpress Pell reports do not display National SMART Grant data, but the Pell record counts on the List–Student Records in Document and List–Document Activity reports (**File, Print, COD**) include National SMART Grant records beginning in Release 4.0, available December 2006.

---

## Direct PLUS Loan for Graduate and Professional Students (Grad PLUS)

EDEExpress 2006-2007, Release 3.0, available September 2006, enhances Direct Loan module functionality to enable you to create origination and disbursement records for Grad PLUS loans, export Grad PLUS data to the COD System, and import COD responses with processed results for Grad PLUS records. You can also print the MPN, List-Grad PLUS MPN, MPN Manifest, and Disclosure Statement for Grad PLUS loans beginning with Release 3.0.

**Note:** The HERA provides for eligible graduate and professional students to receive Direct PLUS Loans on or after July 1, 2006. The HERA provision does not create a new loan program, but rather, allows a new type of borrower—an eligible graduate or professional student—to borrow under the existing Direct PLUS Loan Program. In EDEExpress 2006-2007, Release 3.0 and forward, a Direct PLUS loan for a graduate or professional student is referred to as a “Grad PLUS” loan.

### Software Setup

If you have already set up EDEExpress to process loan records, no additional setup is necessary. If you have not previously set up and used EDEExpress for processing loans, before processing Grad PLUS loan records, you must establish Direct Loan School and COD System setup options (**Tools, Setup, COD**).

### Origination and Disbursement Records

EDEExpress now processes four types of Direct Loan origination records: Direct Subsidized loans, Direct Unsubsidized loans, Direct PLUS, and Direct Grad PLUS.

**Note:** The Grad PLUS loan ID is identical in format to the PLUS loan ID.

As with other loan types, Grad PLUS origination records can be created by using manual entry, ISIR import, or import from an external source. Refer to the latest version of the *2006-2007 COD Technical Reference, Volume III* for the Direct Loan External Add record layout you must follow to add Grad PLUS origination records from an external source beginning with Release 3.0.

The fields required to originate a Grad PLUS loan are the same as for a PLUS loan with the following exceptions:

- College Grade Level must be 6 or higher



- Only the Borrower's Loan Default/Grant Overpayment field is required. The value must be N to originate.
- Student's Citizenship Status (Demo tab) is required to originate a Grad PLUS loan.

**Note:** While an entry in the CPS Trans # field is optional to originate a Grad PLUS loan in EDEExpress, a Grad PLUS borrower must have a valid ISIR on file at the CPS. Entering the CPS Trans # enables you to document internally that a valid ISIR exists. You can also use the CPS Trans # to distinguish between Grad PLUS and PLUS loan data on certain EDEExpress reports.

**Note:** Because the student is the borrower on a Grad PLUS loan, the PLUS Info tab that appears on the Origination tab is disabled for this loan type. The borrower information exported to the COD System is pulled from the Demo tab.

The process of recording actual disbursement data for a Grad PLUS loan mirrors the process for a PLUS loan. Grad PLUS loans can have a maximum of four disbursements. You can enter actual disbursement data into EDEExpress using manual entry, Multiple Entry, or by importing an external change file (DIEC07OP). The external change file, which can also be used to modify Grad PLUS origination data, must have the required data as defined in the latest *2006-2007 Common Origination and Disbursement (COD) Technical Reference, Volume III*.

A new Grad PLUS tab in the Browse function (**Tools, Browse, Direct Loan**) enables you to easily view existing Grad PLUS origination and disbursement data for your students.

## **MPN, MPN Manifest, and Disclosure Statement**

A Grad PLUS MPN print option is available in EDEExpress. The rules for multi-year use and expiration of the PLUS MPN are the same for both PLUS and Grad PLUS borrowers.

**Note:** As with PLUS loan records, the Grad PLUS MPN ID uses N as the MPN indicator.

An addendum must be used with the Direct PLUS MPN to inform Grad PLUS borrowers of the changes made to the terms of the loans by the HERA. Paper MPN addenda are available for schools to order in bulk from the FSA Pubs Web site ([www.fsapubs.org](http://www.fsapubs.org)).

The paper (shipping) MPN manifest notifies COD which MPNs are included in the shipping document. To generate a paper Grad PLUS MPN manifest, select **File, Print** from the menu bar. Then select **Direct Loan, Manifest-Grad PLUS**. Grad PLUS MPN manifests can be regenerated by selecting **File, Print** from the menu bar, then selecting **Direct Loan, Manifest Document Regeneration**.

A Grad PLUS Disclosure Statement print option has been added in EDEExpress. Select **File, Print** from the menu bar, then select **Direct Loan**. Select **Disclosure Statement–Grad PLUS** as the report type.

## Export and Import

Grad PLUS origination and disbursement records are exported in the COD Common Record format (CRAA07IN) by selecting **File, Export** from the menu bar, then selecting **Direct Loan**. You can combine your Direct Loan, Pell, ACG, and National SMART exports by selecting the **Combine DL and Pell?** checkbox.

The COD System sends Grad PLUS origination and disbursement Response files in the Common Record format (CRAA07OP). You can also import MPN Responses (CRPN07OP), Credit Override Responses (CRCO07OP), Booking Notification Responses (CRBN07OP), Web Responses (CRWB07OP), and Payment to Servicing Responses (CRPS07OP) for Grad PLUS data.

Grad PLUS records are also included in Direct Loan External Export files and identified as Loan Type **G** (Grad PLUS), provided you select the Loan Type field as part of the Direct Loan File Format (**Tools, File Formats, Direct Loan**) you select for the export.

## Reports and Queries

A new Direct Loan report, List-Grad PLUS MPN, is added in Release 3.0, available September 2006. This report displays Grad PLUS MPN data in a format similar to the existing List-PLUS MPN report. The following existing Direct Loan and EDEExpress COD reports will now include data for Grad PLUS records: List-Anticipated Disbursements, List-Actual Disbursements, List-Loans, List-Status, Origination Record, List-Student Records in Document, and Student Summary. The List-Actual Disbursements report now includes separate Summary Totals for PLUS loans and Grad PLUS loans, as well as combined PLUS/Grad PLUS totals.

The criteria for two predefined queries (“Loan Type” and “LAA Not Equal Endorser Amount”) have been modified to add Grad PLUS as a filter, and a new predefined query, “Grad PLUS Loans,” has been added.

---

## Other HERA Changes

The HERA changed the definition of an academic year for certain Pell award calculations, increased some Direct Stafford Loan limits, changed the Direct Stafford Loan origination fee, and reinstated the provisions for schools with low cohort default rates to disburse loans in a single disbursement.

### Expanded Value Range for Pell Setup and Entry “Weeks” Field

The HERA changed the definition of an academic year to allow at least 26 weeks of instruction for a program that measures progress in clock hours for Federal Pell Grant award calculations. Beginning with Release 3.0, available September 2006, schools calculating Pell awards using Payment Methodology 4 for clock-hour programs can now enter a minimum value of 26 (instead of the prior minimum value of 30) for the Pell School setup field Weeks of Instructional Time in a Program’s Definition of Academic Year.

This change was implemented in Pell School setup, Pell Origination tab entry, Pell Multiple Entry, Pell Query, and Pell External Origination Add/Change import. The updated minimum value will also be included in Pell External Export files if you select the Weeks of Instructional Time in Program’s Definition of Academic Year field as part of the Pell File Format you choose for the export.

### Direct Loan Limits

New EDEExpress 2006-2007 functionality for subsidized and unsubsidized loans originated after July 1, 2007 will be added in Release 5.0 (available April 2007) to reflect the following new annual Direct Stafford Loan limits:

- \$3,500 for first-year undergraduate base subsidized/unsubsidized loans
- \$4,500 for second-year undergraduate base subsidized/unsubsidized loans
- \$12,000 for graduate/professional additional unsubsidized loans
- \$7,000 for preparatory coursework (for enrollment in a graduate or professional program) additional unsubsidized loans
- \$7,000 for teacher certification additional unsubsidized loans

**Note:** The aggregate loan limits for subsidized and unsubsidized loans have not been increased.

**Origination records:** Edits will be modified to allow subsidized and unsubsidized Direct Loans to be originated at the higher loan limits established in the HERA. If a student already has a loan awarded at pre-HERA loan limits, you must create a new loan to award additional loan funds the student may be eligible for due to the higher limits.

**Disbursement records:** Anticipated and actual disbursement amounts can be entered following the higher loan limits. **Note:** The COD System does not accept disbursement records calculated at the higher loan limits unless the origination date is on or after July 1, 2007.

**Import from an external source:** Loan data imported from an external system in an External Add (DIEA07OP) or External Change (DIEC07OP) file can include Loan Amount Approved amounts based on the higher loan limits.

## Direct Loan Origination Fee Change

The HERA made changes to the Higher Education Act of 1965 to reduce the loan fee charged to Stafford borrowers in the Direct Loan Program. This fee drops to 2.5 percent on July 1, 2007; 2.0 percent on July 1, 2008; 1.5 percent on July 1, 2009; and 1.0 percent on July 1, 2010.

For any 2006-2007 Stafford Subsidized or Unsubsidized loans that have a first disbursement date on or after July 1, 2007, the Sub/Unsub Loan Fee Percentage in COD School setup (Direct Loan) must be changed to 2.5 percent. This setup field can be modified by selecting **Tools, Setup** from the menu bar, clicking the **COD** tab, and then selecting the **School** button. If the Direct Loan tab is not selected, click the **Direct Loan** tab at the top of the screen. Change the value in the Sub/Unsub Loan Fee Percentage field to 2.500 and click **OK**.

**Note:** If you are still originating loans for 2006-2007 with a first disbursement date prior to July 1, 2007, you must change the Sub/Unsub Loan Fee Percentage field back to 3.000 prior to originating those loans.

You can change the Origination Fee percentage at the individual record level using the instructions provided in EDEExpress 2006-2007 Online Help (**Help, Help Topics, Other HERA Changes Overview**).

## Single Disbursement of Loans

The exemption of institutions with low cohort default rates from certain multiple disbursement requirements has been reinstated in the law. An institution with a cohort default rate of less than 10 percent for each of the three most recent fiscal years for which data are available, including an eligible foreign institution, may once again disburse, in a single installment, loans that are made for one semester, one trimester, one quarter, or a four-month period.

If your school meets these cohort default rate requirements, you can designate in the COD School setup (Direct Loan) that you are a “Special School” and can therefore disburse loans in a single disbursement. Select **Tools, Setup** from the menu bar, click the **COD** tab, and select the **School** button. If the Direct Loan tab is not selected, click the **Direct Loan** tab at the top of the screen. Select the **Are You a Special School?** checkbox and click **OK**.

---

## Where to Get More Information

- EDEExpress for Windows 2006-2007 Online Help. For basic guidance and information on using the EDEExpress software, select **Help, Help Topics** from the EDEExpress menu bar. You can view the main list of EDEExpress help topics by module on the Contents tab or scroll through available help topics on the Index tab.
- Dear Partner/Colleague Letters related to the HERA on the Department of Education's (ED's) IFAP Web site, located at [ifap.ed.gov](http://ifap.ed.gov). Look for the link to HERA-related documents.
- The *2006-2007 Electronic Data Exchange (EDE) Technical Reference* and the *2006-2007 Common Origination and Disbursement (COD) Technical Reference*, available on ED's [fsadownload.ed.gov](http://fsadownload.ed.gov) Web site.
- For technical support for EDEExpress, call CPS/SAIG Technical Support at 800/330-5947 (TDD/TTY 800/511-5806), 7 a.m. to 7 p.m. CT, Monday through Friday, excluding federal holidays. Or e-mail inquiries to [CPSSAIG@ed.gov](mailto:CPSSAIG@ed.gov). You will receive a response to your e-mail within one business day.
- For other questions about the HERA, contact the Federal Research and Customer Care Center (RCCC) at 800/433-7327 or 202/275-5532 (fax). Or e-mail the RCCC at [fsa.customer.support@ed.gov](mailto:fsa.customer.support@ed.gov). Hours are 9 a.m. to 5 p.m. ET, Monday through Friday, excluding federal holidays.